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## DOCUMENTS, REPORTS, AND LEGISLATION

### Industries and Commerce

**SOUTH AMERICAN LUMBER MARKETS.** The first note of optimism in the dismal tune to which American lumber interests have been listening for the past few years has been struck in two reports issued by the Bureau of Foreign and Domestic Commerce, United States Department of Commerce, and known as Special Agents Series Numbers 112 and 117, entitled respectively *Lumber Markets of the East Coast of South America* (pp. 121) and *Lumber Markets of the West and North Coasts of South America* (pp. 148). The author of each is Mr. Roger E. Simmons. The investigation treats individually all the important South American countries.

There has been a notable lack of authentic information in the United States, even among lumbermen, as to actual conditions in South America, the general impression being that only a small market is possible due to the facts that the southern continent is well supplied with cheap labor and an abundance of native forests. These reports ought to go a long way toward dispelling such notions by giving concrete information covering the multiple "kinds, dimensions, costs, prices, uses, etc., of imported lumber"; by calling attention to such special lumber products as flooring, ceiling, boxes, shooks, doors, windows, barrels, lath, and poles; by discussing present trade methods; and, finally, by suggesting new ways for American trade expansion. Mr. Simmons' study reveals that while South American countries are rich in standing timber yet large areas are so disadvantageously located that the cost of logging is prohibitive and a great part of the more accessible wood is inferior to that imported.

The United States supplies the bulk of foreign woods, the Southern yellow pine dealers being the chief shippers to the east coast, and the Douglass fir (pino de Oregon) men to the west and north coasts. But the same old story of careless handling of exports and ignorance of South American ways, so painfully evident in other industries, apparently holds true in the lumber trade, for Mr. Simmons found that "a conspicuous feature of the yellow pine business is the frequency of claims and controversies over measurements." Our Northwest shippers have been more careful in filling orders but they have failed to appreciate the possibilities of developing trade and appear to have little knowledge of actual business conditions as is seen by the fact that in all his researches on the east coast the author came across only one piece of advertising for Douglass fir, and this was practically valueless because it was printed in English.

According to Mr. Simmons, South Americans do not know how to use lumber. The statement is reiterated that American dealers could increase their sales by educating the natives to abandon their adobe huts in favor of inexpensive, sanitary bungalows built from American wood. In short, the reports say to the lumbermen: The opportunity is there. What are you going to do about it?

While the studies are comprehensive and enlightening, they are of only relative practical value in some respects. For instance, the author urges American dealers to form foreign selling agencies for exploiting South American markets, but is discreetly silent as to the attitude of Washington officials in such a case. Northwest shippers, however, have not forgotten that in the past their tentative plans to form such associations died prematurely under threat of prosecution as violations of the federal anti-trust law. There are also other aggravating questions at home, such as a sufficient supply of cars to make possible the filling of the orders already in, which must be settled before cutting the juicy pie held by the South Americans.

E. C. ROBBINS.

*University of Oregon.*

NAVIGATION LAWS AND GOVERNMENT AID TO MERCHANT SHIPPING. The high ocean freight rates and inadequate ocean service occasioned by the European war have resulted in more widespread consideration of the merchant marine problem throughout the United States than seemed possible a few years ago. Though the American tonnage engaged in the foreign trade declined from 2,496,894 in 1861 to 782,517 in 1910 and 1,066,288 on June 30, 1914—just before the outbreak of the war—the general public did not seem to be interested. There usually was sufficient tonnage in our trade with Europe, even though most of it was foreign, to render an efficient service. Few besides those who were interested in the trade with South American and other non-European countries and had to depend upon an ocean transportation service that was inferior to the service between Europe and these outlying markets, and such Americans as wished to operate merchant vessels in the foreign trade, clamored for conditions that would cause an increase in the registered tonnage of the United States. But the war vitally affected the shipping conditions confronting the trade with Europe; the war shortage in ocean tonnage commanded the attention of the country.

It was appropriate, therefore, that the Bureau of Foreign and Domestic Commerce should issue a report containing detailed information

concerning the *Navigation Laws* of the United States and the five leading foreign maritime countries, and another on the methods of *Government Aid to Merchant Shipping* in the United States and abroad (Special Agents Series, Nos. 114, 119; pp. 190, 265; 20c., 25c.). Both volumes were prepared by Mr. Grosvenor M. Jones, Commercial Agent of the Bureau, although in the preparation of the report on *Navigation Laws* he was in collaboration with the Bureau of Navigation and the Steamboat-Inspection Service.

The report on *Navigation Laws* is especially welcome because it contains much information on a technical subject concerning which little authentic data had previously been published. The general *Navigation Laws of the United States*, 1915 edition, as published by the United States Bureau of Navigation, comprises a volume of 585 pages. Shipping men had frequently expressed a desire that these laws be simplified in some way so that those against or in favor of whom they apply might know exactly what to expect. More serious, however, is the charge—frequently made—that the navigation laws of the United States are more severe than those of competitive foreign countries, and that therefore they constitute a burden on such American shipping as is engaged in the foreign trade.

This report on *Navigation Laws* neither upholds nor disproves explicitly the charge of unreasonable burden. It, however, places before Congress and all those interested a compact statement of the contents of the main navigation statutes of the United States, Great Britain, Germany, Norway, France, and Japan. The navigation laws of each of these countries are divided into nineteen groups, six of which include the laws affecting the vessel, and thirteen of which include those affecting the officers and the crew. First the laws regulating the registry of vessels are described for each of these countries; then those concerning the measurement of vessels, construction and equipment of vessels, inspection of vessels, loading of vessels, and tonnage dues. The laws affecting officers and crew are similarly divided as follows: nationality of officers; nationality of crew; number of officers; number of crew; age, physical condition, ability, and experience of officers and crew; shipping agreements; wages; provisions and water for crew; quarters for crew; hours of labor; hospital accommodations on vessels; and desertion. The report also contains a statement covering the administration of the navigation laws in the six countries; various appendixes concerning measurement rules; another on ship classification societies; and a detailed bibliography.

The report as a comparative study is of real value to such readers

as will read its complete text carefully. It does not point explicitly to the particular differences between the navigation laws of the United States and those of Great Britain, Germany, or the other countries included in the report; *i. e.*, it does not in passing from one group of laws to another indicate just how or where those of the United States are more stringent or more lenient than those of the other countries. The Bureau has rendered a valuable service in providing in a relatively small volume much of the necessary comparative material. The value of the report would have been even greater if a comparative chapter or two had been added.

The report on *Government Aid to Merchant Shipping* was compiled in the preparation of the report on *Navigation Laws*, it being the original intention of the Bureau to include both subjects in one report. Its plan differs from the report on navigation laws in that it contains a full introductory or comparative chapter, defining terms and classifying the principal kinds of government aid into groups. First it divides indirect forms of aid into the following groups: reservation of coasting trade, exemption from import duties on shipbuilding materials, admission of foreign-built vessels to national registry, preferential railway rates, loans to shipowners, reimbursement of port dues, etc., reimbursement of canal dues, and exemption from taxation. Then it discusses direct money aid under the headings of partial subventions, bounties or subsidies, and subventions to foreign steamship lines. In connection with each type of aid is given a list of the countries in which it is found. The introductory chapter then summarizes the policy of government aid separately for each of the principal maritime countries. It also contains sections on state-owned steamship lines, state control of privately owned steamship companies, and state participation in the profits of steamship lines.

The body of the report consists of nine chapters which contain an account of the various kinds of government aid to merchant shipping in all countries where any appreciable aid has been given. The description in these chapters is arranged by countries. In the appendixes are given various subvention contracts and subsidy statutes and regulations.

The report on government aid does not adhere to the neutral policy pursued in the report on navigation laws. While it does not expressly advise against subventions as an American policy, the general effort to disprove its desirability is noticeable. In foreign countries where shipping has grown, the importance of direct government aid is generally minimized; and those in which shipping has grown less rapidly

are cited as evidence that direct government aid is ineffective. France, as has so frequently been done, is given as the cardinal example of the failure of direct government aid in a country where economic conditions do not in themselves lead to an increasing merchant marine. Does not the experience of France rather teach a lesson to the effect that different types of direct government aid must be carefully distinguished? That her general subsidies or bounties have been a failure is clearly evident. But France, as is true of most other countries where general subsidies are paid, is gradually shifting in the direction of specific subventions. The latter are paid to selected French lines which are by contract required to perform prescribed services. There is no evidence that this part of the French policy of direct government aid has been ineffective. Indeed the greatest lesson to be learned from foreign experience is that direct money aid, to be effective, must be restricted to a limited number of lines that operate under definite subvention contracts.

In discussing American ocean shipping various changed conditions are noted in the report as indicating less need for government aid than in the past. That conditions, on the whole, are more favorable than a decade ago, is granted; although many will not admit into their evidence all the changes referred to in the report (pp. 35-36). The reduced capital costs occasioned by the adoption of the free shipping policy in 1912 and 1914 is referred to; but no reference at this point is made to the higher operating costs of American vessels as compared with foreign ships, nor to the effect of the Seamen's act upon the operating costs of American vessels on the transpacific route.

This criticism is directed only against the way in which the facts that were so painstakingly collected are interpreted in the report. Yet even those who may agree with this criticism will find the report a valuable document. The detailed and up-to-date information contained in it concerning the forms and amounts of government aid in the various shipping countries makes the volume an exceedingly welcome one. Both of the reports reviewed in this note as well as Mr. Jones's excellent recent report on *Ports of the United States* should prove of lasting value to all who are interested in the future progress of the country's trade and shipping.

GROVER G. HUEBNER.

*University of Pennsylvania.*

PORTS OF THE UNITED STATES. The report made by Mr. Grosvenor Jones for the Bureau of Foreign and Domestic Commerce on the

*Ports of the United States* (Miscellaneous Series No. 33, 1916, pp. 481) is an attempt to modernize the official report on this subject in part 3 of the *Report on Transportation by Water in the United States*, issued by the Bureau of Corporations in 1910. It is also the answer to a resolution adopted by the American Association of Port Authorities at its second annual convention in New Orleans in 1913, requesting the Secretary of Commerce

To collect, compile, and disseminate information showing the character of ownership and administration of terminal and other facilities in the United States and their position; a description of the physical equipment of the same; the charges on goods and ships, if any; the regulations governing the use of port facilities; and other such information as the Secretary of Commerce may deem useful.

The basis of the book is twofold: the answers to a schedule containing inquiries which was sent to the mayors of 576 cities; and visits by Mr. Jones to Atlantic Coast, Gulf, and Great Lakes ports.

The ports here treated are those which have a "water-borne commerce" amounting to 1,000,000 short tons in volume or \$30,000,000 in value in the calendar year 1913. Information for each port is given in the following respects: physical description, railroads, steamship lines, commerce of the port, extent and ownership of waterfront, terminals, kind of wharf construction, port administration, port charges. For the larger ports a map is given.

Such a book could not be prepared without containing a great deal of useful information which otherwise could be secured only by consulting a collection of the handbooks and reports of commercial bodies at the various ports. Interesting is the description of the administration of the publicly owned waterfronts of New Orleans and San Francisco, with their belt lines.

One of the difficulties that beset publicly owned railroad terminals in North Atlantic ports is set forth in the book. Forty years ago, in order to offset the centralization of the export and import trade in New York, railroad carriers with terminals at other points—Baltimore, Philadelphia, Newport News, Norfolk, Boston, Portland—instituted the habit of building piers and giving them free to steamship lines which would dock there. The purpose and effect was to offer them a subsidy not to go to New York where the pier rentals were high. Another subsidy was contained in the port differentials, or lower rates from the West, applying to ports from Philadelphia to Norfolk inclusive. Steamship lines plying from these lower ports could charge, in their ocean rate, a higher rate than they could charge from New

York, yet have the through charge from interior American points to foreign destination the same.

When Boston started to have state-owned piers, it very soon found that this practice of the railroads, in giving free piers to the steamship company, made impossible economic results from state-owned piers. The railroads charged the steamship companies nothing for the use of their piers. The state could get steamship lines to come to its piers only on condition that it offered them the same terms; namely, no rental at all.

Obviously, this condition was a very practical deterrent to port development by public authorities. It seemed foolish for the state to build piers and turn them over free to steamship lines if the railroads were willing to do this. And yet every one familiar with the situation saw and felt that it was not a desirable one. The railroad had an exclusive contract with the steamship company docking at its pier, and so managed that it carried practically all of the western traffic that moved over that steamship line. The railroad's competitors got nothing of this traffic to carry and had little interest in the steamship line in question. The advantages of state-owned piers are not theoretical, but very practical.

Moreover, in these "railroad ports" the practice is for a flat export rate to apply only when traffic passes over the piers of the railroad pier owner. When traffic is to be exported at any other point in the port, the flat rate plus a switching charge is necessary in order to get it on the wharf. This latter condition has been remedied by the Interstate Commerce Commission in *Mobile Chamber of Commerce vs. Mobile & Ohio Railroad Company* (32 I. C. C. 272).

In this decision the commission ordered the Mobile & Ohio Railroad to quote a local rate to Mobile 3 cents per hundred pounds lower than its present export rate. The 3 cents higher export rate is to provide for the delivery at ship-side on any pier in Mobile.

The other feature of the situation can be remedied only if the railroad will allow privately owned or state-owned piers, out of the through railroad rate, an allowance equal to the cost, per ton of traffic handled, of operating the railroad piers. If it is worth the railroad's while to maintain and operate a railroad pier at a cost of 30 cents per ton of traffic handled over those piers, then it ought to be willing, and it ought to be forced, to give that same allowance to state-owned piers which take the place of the railroad's own facilities.

E. J. CLAPP.

*New York University.*



EXPORT TRADE SUGGESTIONS is a bulletin of 140 pages in the Miscellaneous Series of the Bureau of Foreign and Domestic Commerce. It has been prepared chiefly for American manufacturers who, hitherto, have catered only to the domestic market, but now are undertaking to inform themselves regarding foreign trading methods. Some of the material is here published for the first time; but the careful readers of *Commerce Reports* will recognize a good deal of material as having been reprinted from various issues of the year 1915. The Bureau of Foreign and Domestic Commerce has done a valuable service, however, to the business interests of the country in gathering together and systematizing numerous articles, submitted mainly by its special agents, commercial attachés, and American consuls, which deal with different aspects of our foreign trade.

The first 22 pages constitute an appropriate introduction, covering the general principles underlying export policies. The leading article is by Dr. E. E. Pratt, Chief of the Bureau, and consists of an address, entitled "The Making of an Export Policy," delivered at New York last December before the International Trade Conference held under the auspices of the National Association of Manufacturers. Following the introduction is a series of articles, varying in length from several pages to merely a few lines, classified according to the following topics: representatives and agencies, finances and credit, quotations, postal services, correspondence and translations, coöperation with consuls, packing, advertising, transit centers, and general trade extension.

Though difficult to generalize, it may perhaps be stated with accuracy that the various articles are practical in nature, each constituting a specialized treatment of some point or points which are important factors in selling goods abroad. Many valuable suggestions are offered to our manufacturers and exporters which, if heeded, would undoubtedly lead to greater satisfaction among foreign consumers of American goods. Furthermore, some of the methods followed by our foreign traders in exploiting the overseas market come in for rather severe criticism. The value of such suggestions and criticism is all the greater because they are based not upon theory but mainly upon first-hand observations made in the various parts of the world where the goods are marketed, and upon a knowledge of the tastes, fashions, and other social or racial characteristics which are powerful factors in foreign trade.

AVARD L. BISHOP.

*Yale University.*

**COTTON REPORTS.** Two reports recently issued by the Department of Commerce indicate significantly the increased attention which the department is giving to marketing methods and problems in its studies of foreign trade: *Cotton Goods in China* and *Cotton Goods in the Straits Settlements*, by Ralph M. Odell (Washington, 1916, Special Agents Series Nos. 107, 115; pp. 242, 57; 25c., 10c.). The reports are similar in plan. In each there is a brief description of the resources and transportation facilities of the country, an analysis of the statistics of the import and export trade in cotton goods, and an explanation of the requirements of the markets. The report on the Chinese trade explains carefully the reasons for the fluctuations in the exports of cotton goods from America to China and especial attention is given to Japanese competition. The policies of American manufacturers and selling agents in handling this foreign trade are criticised. It is stated, for example, that they have failed to give adequate consideration to the advantages to be gained through granting exclusive agencies to Asiatic importers in the trade in branded goods.

MELVIN T. COPELAND.

There has been published as Senate Document No. 316 (Washington, Jan. 20, 1916, pp. 62) Part I of *Electric Power Development in the United States*, a letter from the Secretary of Agriculture transmitting a report, in response to a Senate Resolution of February 13, 1915, as to the ownership and control of the water-power sites in the United States. The report is published in three parts, only Part I, which contains the text and conclusions, being available for distribution by the Forest Service of the United States Department of Agriculture. In this are sections on the development of power in the United States, power development in the national forests and other public lands, financial statistics of central stations, and concentration in the control of developed power.

Among additional pamphlets published by the Bureau of Foreign and Domestic Commerce (Washington, 1916) are the following:  
In the Special Agents Series:

No. 118, *Markets for Machinery and Machine Tools in Peru, Bolivia, and Chile* (pp. 88), by J. A. Massel.

No. 120, *Cotton Goods in the Dutch and East Indies* (pp. 55), by Ralph M. Odell.

No. 122, *Development of an American Linen Industry* (pp. 23), by W. A. Graham Clark.

No. 123, *Cotton Goods in Ceylon* (pp. 39), by Ralph M. Odell.  
In the Miscellaneous Series:

No. 38, *Trade of the United States with the World, 1914-1915* (pp. 247).

No. 44, *Trans-Pacific Shipping* (pp. 30).

Special Consular Reports:

No. 75, *Foreign Trade in Buttons* (pp. 184).

Part II of the general monograph on the *Meat Situation in the United States* is more specifically entitled *Live Stock Production in the Eleven Far Western Range States, Based on Reports from Stockmen and County Correspondents*, by W. C. Barnes and J. T. Jardine (Washington, Department of Agriculture, 1916, Report No. 110, pp. 100). This contains maps showing the increase and decrease in cattle and sheep production between 1910 and 1914. There are interesting pictures illustrative of the industry. Part III deals with *Methods and Cost of Growing Beef Cattle in the Corn Belt States*, by J. S. Cotton, M. O. Cooper, W. F. Ward, and S. H. Ray (Report No. 111, pp. 64).

The federal Department of Agriculture has published as a reprint from the Yearbook for 1915 *A Graphic Summary of American Agriculture*, by Middleton Smith, O. E. Baker, and R. G. Hainsworth (pp. 329-403). This is made up of maps illustrating farm land and property, cereal crops and cotton, hay and forage, minor crops, vegetables, fruits and nuts, live-stock and dairying.

Another reprint from the Yearbook of the Department of Agriculture is *The Coöperative Purchase of Farm Supplies* (pp. 73-82), by C. E. Bassett, showing the manner of transacting business by coöperative societies.

There was recently printed for the use of the House Committee on Post Offices and Post Roads, under the direction of Postmaster General Burleson, *Parcel Post Statistics*, a compilation of statistical data relative to ascertaining the cost of administering the parcel post service and the trend and tendencies of the system in its growth and developments (pp. 128).

The Guaranty Trust Company of New York has prepared a *Digest of the United States Shipping Act*, with full text of the law (pp. 42).

#### Corporations

The Railway Executives Advisory Committee, 61 Broadway, New York, has published a considerable amount of pamphlet material

relating to the present problems affecting railroads. Among the titles to be noted are: *Railway Service:—Is it a National Problem or a Local Issue?* by Frank Trumbull; *Will the Railroads Come Back?* by Lockwood Barr; *The Crux of the Railroad Difficulty*, by Ivy L. Lee; *Under Forty-nine Masters*, by Francis H. Sisson; *A Federal Railroad Board*, by W. W. Cook; *A Right of States*, by Alfred P. Thom; *The Government and the Railroads*, by Otto H. Kahn; *Governmental Regulation of Common Carriers by Railroad*, by G. S. Patterson. In addition to these pamphlets the committee circulates newspaper reprints which will be of interest to students of the railway question.

The Bureau of Railway Economics, Washington, has published, under date of August 1, 1916, a typewritten *List of References on Valuation of Railways*, something over 100 pages in length.

Public utility reports have been received as follows:

*Third Annual Report of the Public Service Commission* of Massachusetts for 1915, vol. I (pp. clxxxv, 648).

*Eighth Annual Report of the Public Service Commission of the Second District*, New York, vol. III, *Abstracts of Reports of Corporations* (pp. 325).

*Sixth Annual Report of the Board of Public Utility Commissioners for the State of New Jersey* for the year 1915 (Trenton, pp. 405).

#### Labor

**THE FEDERAL CHILD LABOR LAW.** The Keating-Owen Child Labor bill became law on September 1 by the signature of President Wilson. The law goes into effect September 1, 1917. Its purpose is briefly set forth in Section 1, as follows:

No producer, manufacturer, or dealer shall ship or deliver for shipment in interstate or foreign commerce, any article or commodity the product of any mine or quarry, situated in the United States, in which within thirty days prior to the time of the removal of such product therefrom children under the age of sixteen years have been employed or permitted to work, or any article or commodity the product of any mill, cannery, workshop, factory, or manufacturing establishment, situated in the United States, in which within thirty days prior to the removal of such product therefrom children under the age of fourteen years have been employed or permitted to work, or children between the ages of fourteen years and sixteen years have been employed or permitted to work more than eight hours in any day, or more than six days in any week, or after the hour of seven o'clock postmeridian, or before the hour of six o'clock antemeridian.

An Administrative Board is provided in the law composed of the Attorney General, the Secretary of Commerce, and the Secretary of

Labor, who are empowered to prepare rules and instructions for carrying out the provisions of this act and may from time to time amend these rules within the scope of the law.

The act differs from earlier attempts to legislate against child labor by the federal government in that it does not undertake to restrict a shipper of goods, but rather makes the shipment or delivery for shipment by producer, manufacturer, or dealer an offense. While the bill was pending protests were brought before the National Child Labor Committee which drafted the bill and before the congressional committees considering it, that a dealer not knowing the origin of his goods and shipping them innocently would be subject to punishment although he had no share whatever in the employment of child labor. To secure the innocent dealer against such a hardship the following proviso was added to Section 5:

*Provided:* That no dealer shall be prosecuted under the provisions of this Act for a shipment, delivery for shipment, or transportation who establishes a guaranty issued by the person by whom the goods shipped or delivered for shipment or transportation were manufactured or produced, resident in the United States, to the effect that such goods were produced or manufactured in a mine or quarry in which within thirty days prior to their removal therefrom no children under the age of sixteen years were employed or permitted to work, or in a mill, cannery, workshop, factory, or manufacturing establishment, in which within thirty days prior to the removal of such goods therefrom no children under the age of fourteen years were employed or permitted to work, nor children between the ages of fourteen years and sixteen years employed or permitted to work more than eight hours in any day or more than six days in any week or after the hour of seven o'clock postmeridian or before the hour of six o'clock antemeridian; and in such event, if the guaranty contains any false statement of a material fact, the guarantor shall be amenable to prosecution and to the fine or imprisonment provided by this section for violation of the provisions of this Act. Said guaranty, to afford the protection above provided, shall contain the name and address of the person giving the same.

The law provides that in any state designated by the board an employment certificate or other document as to the age of the child and not inconsistent with the provisions of the act shall have the same force and effect as the certificate provided in the act itself.

The one feature of this law to which most attention has been called since its enactment is known as the "thirty day clause" which provides that goods may not be shipped in interstate commerce if within thirty days prior to the removal of the products from the establishment children under the proscribed age were employed. This clause has been misunderstood as permitting the shipment of goods in inter-

state commerce thirty days after they were produced by child labor. The distinction is clear. The law provides that, if goods are removed from the place of production within thirty days of the time that the last child is employed in violation of the standards in the law, by this act of removal they become thereafter permanently prohibited from entering into interstate commerce. It has been suggested, however, that in a cannery, where the work is performed during one season and the plant closed, goods might be stored in a warehouse until thirty days after the close of the season whereupon they might be shipped with impunity. This criticism also reveals failure to understand the provisions of the law. Obviously no cannery can afford to stack its goods about the feet of its workers; to be held by the producer they must be removed to a warehouse. The definition of a "warehouse" is within the province of the Administration Board. A warehouse may be a mile from the factory, a foot away, or under the same roof; it may belong to some dealer or to the original producer. This makes no difference. The *removal* of the goods from the place of production to the warehouse marks the first step, which, if followed by shipment in interstate commerce, would complete a violation of the act.

It was estimated that this law will directly affect approximately 150,000 working children, about 50,000 of whom are employed under the age limits provided and the rest employed in excess of eight hours a day in factories and manufacturing establishments. The National Child Labor Committee regards this relief to a large number of working children as of secondary importance, however. The main value of the act is believed to lie in its tendency to elevate and standardize the laws and administration in the various states. One million eight hundred and fifty thousand children are employed in industries entirely beyond the scope of the federal government. These are: wards of the various states; the infant hawkers of news and chewing-gum on our city streets; the truck garden conscripts of Pennsylvania, New Jersey, Ohio, Colorado, and Maryland; the sweating cotton-pickers of Mississippi, Oklahoma, and Texas; the 90,000 domestic servants under 16 years of age who do the menial drudgery in our American homes; and the pallid cash girls in our department stores. If the standards set in the Federal Child Labor law tend within the near future to raise the standards of the various states for employment of children in local industries and tend also to develop efficiency and vigor in state departments of labor and factory inspection the friends of child labor reform may reasonably hope within the next decade to see this system rele-

gated to the museum of antiquity where it belongs with cannibalism and chattel slavery.

OWEN R. LOVEJOY.

*National Child Labor Committee.*

The federal Bureau of Labor Statistics has published the following bulletins:

No. 189, *Decisions of Courts Affecting Labor: 1915* (Washington, May, 1916, pp. 345).

No. 192, *Proceedings of the American Association of Public Employment Offices* (May, 1916, pp. 177). Reports are made of the meetings held in Chicago, December, 1913; Indianapolis, September, 1914; and Detroit, July, 1915.

No. 194, *Union Scale of Wages and Hours of Labor* (May, 1916, pp. 295).

No. 195, *Unemployment in the United States* (July, 1916, pp. 115). This contains data in regard to unemployment in sixteen cities in the East and Middle West, twelve cities in the Rocky Mountain and Pacific Coast States, and the results of the second survey of unemployment in New York City made by the Bureau of Labor Statistics and the Metropolitan Life Insurance Company in September, 1915.

No. 196, *Proceedings of Employment Managers' Conference*, held in Minneapolis, January, 1916 (pp. 82). This contains papers on "The function of the employment department," by R. C. Clothier, manager of the employment department of Curtis Publishing Company; "Methods of reducing the labor turnover," by Boyd Fisher, of the Detroit Board of Commerce; "Public employment bureaus and their relation to managers of employment in industry," by Hilda Muhlhauser; "The aim and work of employment managers' associations," by Meyer Bloomfield; "The new apprenticeship as a factor in reducing labor turnover," by C. A. Prosser; "Training the immigrant in industry," by W. C. Smith; and "Work of the employment department of the Ford Motor Company," by George Bundy.

The Industrial Commission of Ohio, as a by-product of enforcement of the law regulating private labor agencies, has collected a considerable amount of data in regard to the practice of paying foremen in industrial plants a fee for securing work and also on the practice of payment to foremen in order that workmen may not lose their jobs or may be promoted. This material has been worked up in a bulletin entitled *Job Selling in Industrial Establishments in Ohio*, Department

of Investigation and Statistics Report No. 24 (Columbus, June 26, 1916, pp. 38). It appears that the payment of fees to foremen for furnishing jobs is a well-established custom.

The Executive Committee of the Merchants and Manufacturers of Massachusetts has published a pamphlet on the *Minimum Wage a Failing Experiment. Together with Some Criticism of the Massachusetts Experiment* (Room 53, 89 State St., Boston, 1916, pp. 58). This is avowedly in opposition to the minimum wage law of Massachusetts. "If we are right in our conviction that the minimum wage is a grievous economic error and therefore a menace to capital and labor alike, the sooner it is probed to death, the better for all."

A publication to be noted is the report to the governor of Colorado by the *Committee on Unemployment and Relief* (Denver, 1916, pp. 47).

The Cleveland Chamber of Commerce has published a report of the Committee on Industrial Welfare on *Industrial Profit Sharing and Welfare Work* (pp. 85). Reports are made on the experience of 27 companies in regard to industrial profit sharing and of 23 companies on industrial welfare. A considerable number of these companies are located in Cleveland but reports are made on those elsewhere as well. The matter is presented in condensed form easily apprehended.

The Interborough Rapid Transit Company of New York has published a pamphlet on *The Effort to Tie Up the Street Railroad Systems of New York City* (pp. 36).

The Merchants' Association of New York has issued a report of the Committee on Public Utilities and Law, *For Prevention of Railroad Strikes*, and with it an article on *Railroad Strikes: Their Menace and Their Lesson*, by Henry R. Towne (New York, Sept., 1916, pp. 19).

The Fifth Annual Report on *The Labour Organization in Canada*, for 1915 (Ottawa, pp. 232) contains an interesting section on "The war and trade unionism."

#### Money, Prices, Credit, and Banking

Further bulletins on prices have been published by the Bureau of Labor Statistics: No. 197, *Retail Prices, 1907 to December, 1915* (pp. 381); No. 200, *Wholesale Prices, 1890 to 1915* (pp. 295).



The Federal Reserve Board has printed its *Circulars and Regulations*, Series of 1916 (Sept., 1916, pp. 25).

Senate Report No. 481, 64th Congress, 1st Session, relates to *Amendments to the Federal Reserve Act*, being the report of the Committee on Banking and Currency, submitted by Senator Owen (May 19, 1916, pp. 15).

In connection with the Federal Farm Loan Act the following pamphlets are of interest:

Bulletin No. 409 of the federal Department of Agriculture, *Factors Affecting Interest Rates and Other Charges on Short-Time Farm Loans* (pp. 12).

Senate Document No. 500, entitled *The Federal Farm Loan Act: With Marginal Notes and Index*, prepared by W. W. Flannagan, secretary of the Joint Committee on Rural Credits (64 Cong., 1 Sess., July 17, 1916, pp. 50).

House Report No. 844 of the committee of conference, submitted by Mr. Glass, on *The Federal Farm Loan Act* (64 Cong., 1 Sess., June 23, 1916, pp. 33).

*A Digest of the Federal Farm Loan Act*, prepared by the Guaranty Trust Company of New York (pp. 16).

The Guaranty Trust Company has also issued a reprint of *The Federal Income Tax Law with a Synopsis of the Features of the Law affecting Individuals and Fiduciaries* (pp. 71) and a *Digest of the Bills of Lading Act* which will be in force January 1, 1917 (pp. 11).

*An Analysis of the New Revenue Laws* (pp. 23) has been made by the Irving National Bank of New York and a reprint and analysis of the *Federal Bill of Lading Act*.

The Putnam-Hooker Company, cotton commission merchants of Cincinnati, are circulating a pamphlet by the vice-president, Mr. Kenneth R. Hooker, on *Trade Acceptances from a Mercantile Viewpoint*. It is noted that the new method, though not commonly used by cotton goods houses, is increasing in popularity, and the pamphlet encourages further extension of this credit medium.

State banking reports received are:

*Annual Report of the Bank Commissioner of Massachusetts: Part I, Savings Banks and Trust Companies; Part II, Coöperative Banks and Credit Unions* (pp. lvii, 531; xxxvii, 415). Reports are here made on 47 credit unions.

*Report on Savings Banks, Trust Companies, Safe Deposit Com-*

panies, and Miscellaneous Corporations of New York (Albany, 1915, pp. 657).

*Annual Report of the Commissioner of Banking and Insurance of New Jersey* for 1915 (Trenton, pp. 358).

There has been received *Proceedings of the Twenty-second Annual Convention of the Wisconsin Bankers' Association*, held at Madison, August 8-9, 1916 (George D. Bartlett, secretary, 408 Pabst Bldg., Milwaukee, pp. 228); and also the *Proceedings of the Fifth Convention of the New Mexico Bankers' Association*, held at Roswell, October 4-5, 1915 (J. C. Christensen, secretary, Raton, pp. 84).

The Commonwealth Bureau of Census and Statistics of Australia in a recent bulletin on *Prices, Purchasing-Power of Money, Wages, Trade Unions, Unemployment, and General Industrial Conditions, 1914-15*, prepared by G. H. Knibbs (Melbourne, May, 1916, pp. 183), continues its investigation in regard to the purchasing power of money, showing quarterly variations of the purchasing power of money in 30 towns, annual variations in the purchasing power of money in 150 towns, and householders' budget inquiries. The methods pursued by this bureau are of exceptional interest.

### Public Finance

THE ATTACK UPON THE COLORADO TAX COMMISSION. Colorado is experiencing at the present time some of the difficulties of centralized administration in a "pure" democracy. This young state has the old New England passion for local self-government and is equipped with the newest improvements for the expression of the popular will, such as the initiative and referendum and the recall. Five years ago, after about forty years (1876-1912) of unhappy experience with an *ex-officio* State Board of Equalization, a strong central tax commission was established, and in November, 1916, the voters decide the fate of an "initiated" bill abolishing that commission.

The opposition to the commission is widespread, but is particularly strong and bitter in Denver and in Weld County, a rich agricultural county in the north central part of the state. Dissatisfaction is expressed with the personnel of the commission and with almost everything it has attempted to do, including its supervision of local assessments, its equalization between the counties, its assessments of the property of corporations and its policy in passing on petitions for increased levies, rebates, refunds, and abatements. No difficulty was experienced in securing nearly 28,000 signatures to the initiative

petition and there are strong indications that the bill destroying the commission will be passed.

One of the two members who have served on the commission since its establishment is Dr. John B. Phillips, formerly professor of economics at the University of Colorado. The other is Celsus P. Link, who had served for nine years as county assessor and for seven years as deputy assessor in one of the mountain counties. The third member of the commission for the first three years was J. Frank Adams, a Denver lawyer. He was succeeded, in 1915, by Edward B. Morgan, also a lawyer, who had been a high official in the Colorado Taxpayers' Protective League.

An examination of the work of the commissioners reveals a very creditable record, especially in view of the fact that they have had exceedingly meager financial resources and have been given unreasonably heavy duties to perform. Although they have not fulfilled in every instance the technical requirements of the law, particularly those prescribing local visits, they have maintained a reasonable supervision over local assessments. It is in connection with the equalization of assessments that most of the friction has developed. It is not surprising that this should be so for the Colorado commission has grappled with this problem with a boldness and courage that is both rare and refreshing. Nothing was attempted in this direction in 1912, but in 1913 the county officials were directed to raise their assessments from the one-third basis which had been customary in the state to full cash value. The commission was almost without funds for investigating purposes, but the public utilities of the state, which were eager to see the local valuations raised to the same standard of full cash value which they felt had been applied to them, volunteered to assist the commission in gathering data to aid in the equalization. They organized a large force of field workers and retained the former secretary of the commission to conduct the investigation. The commission used its slender resources in checking and supplementing these data. Thus equipped, the abstracts of the local assessors were examined and a radical equalization was made. Fifty-eight of the sixty-three counties received increases, some of the assessments being almost trebled. The assessor of Denver County had even before this proved himself a thorn in the side of the commission; first, by objecting to certain valuations placed by the commission upon Denver local utilities in 1912 and in the same year by attempting an independent equalization of his own by reducing his assessment 10 per cent several months after he had filed his abstract. He now refused to make the 40 per cent in-

crease in his assessments ordered by the tax commission and resort was made to the courts where the commission was sustained. In 1914 the commission increased only twenty-four counties; but Denver County, having submitted an abstract which fell far below the figure set the previous year, was one of the twenty-four, receiving a 34 per cent increase. In 1915 the Denver abstract was one of twelve to be increased, this time about 21 per cent. The assessor once more became involved in court action and again suffered defeat. In connection with this litigation the city officials give credence to ugly but improbable rumors, which it has been found impossible to confirm, concerning forces brought to bear upon the supreme court to influence their decision. Convinced that the city is discriminated against in favor of the "outside" counties and despairing of securing "justice," the city officials have decreed the destruction of the commission.

The Weld County opposition centers also about the county assessor. He charges not only that the property in his county is over-assessed but that the property of the large corporations is under-assessed. His opposition is due in part to a misapprehension as to methods actually used by the commission in assessing corporations and partly to a peculiar theory of value which he applies in assessing land. The other opposition to the commission is relatively insignificant.

The merits of the question are obscured by the presence of much prejudice and misinformation. There is a bitter intersectional dispute between Denver and the remainder of the state. There is a deep-seated antipathy for the corporations, from which the people of Colorado have come to expect nothing good. Personal feelings have been outraged in the friction and litigation which has marked the entire life of the commission and, perhaps most important of all, some of the local officials have appreciated only too well the political popularity which would attach itself to the champions of the people in a fight against the commission. The question even became an issue in the primary campaign, one of the Republican candidates for governor having pledged himself to the destruction of the commission. Finally, great misapprehension exists as to the actual effects of the tax commission's equalization activities. The impression is general in Denver, for example, that the commission has increased the city's tax burden enormously. The fact is that, had the commission accepted the local assessor's figures as entirely satisfactory, there would have been no perceptible decrease in the city's taxes. In no year did the increase amount, in taxes, to as much as \$100,000 in a total tax burden of from six to seven million dollars. But, as one city employee aptly

remarked, "it is not how big it actually is, but how big you can make it look."

At the instance of the Survey Committee of State Affairs, an official body established by the legislature, an investigation was made of the work of the commission. The conclusions drawn from this investigation were that the commission had done nothing to merit destruction; that, taking into account the handicaps under which it labored, it had made a record which deserved confidence and increased support.

Tax commissions now exist in thirty-five states. They seem to have been abolished in only three, Idaho, Delaware, and Montana. If Colorado adds itself to these three, its action must not be taken as an indication of a serious failure of this type of organization. It is perhaps evident from the above analysis that other elements than the mere record of the commission are playing important roles in the situation.

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TARIFF SYSTEMS OF SOUTH AMERICAN COUNTRIES, by Frank D. Rutter, is a recent publication of the Bureau of Foreign and Domestic Commerce, of which the author is Assistant Chief (Tariff Series No. 34, pp. 308). It is, in large part, a first-hand investigation; for the bulk of the material was collected by the author in 1912 while visiting several of the South American republics in the capacity of a commercial agent of the Department of Commerce. This was supplemented by special reports from diplomatic and consular officers, and the whole has been carefully sifted and systematized.

The purpose of the report is to furnish information which will enable interested parties to understand the tariffs of the countries here considered, and their various methods of customs procedure. No attempt has been made to give all the details of the various tariffs and other duties levied. Most of these are accessible in this country, are subject, in certain particulars, to more or less frequent changes, and soon become antedated. Consequently, the author very wisely has chosen to emphasize the more permanent features of the tariff systems and the underlying principles upon which they are based. From the more practical standpoint, however, there is given a general idea of the sum total of the charges that must be expected when entering goods into South American countries. Moreover, the actual procedure involved is described, with emphasis upon the penalties to which one is liable when there are violations of the law.

As the author points out, a discussion of the tariffs and customs

regulations of South American countries involves a consideration of three main topics—the character of the tariff systems, customs duties and charges, and customs procedure. Accordingly, the individual countries are treated successively under these three headings. And, by way of summary, there is given an analysis and comparison of the different systems of the various countries individually considered. It may be of interest to note that the tariffs are largely revenue rather than protective measures. If there is taken into consideration governmental revenues of all kinds both local and national, import duties constitute in South America a relatively more important means of gaining revenue than in Europe or the United States. In general, it may be said that there is little tariff preference shown in importations. The most conspicuous exception is the practice of Brazil in reducing the duty on a limited number of articles originating in the United States.

Four kinds of tariffs are to be found in South America. The valuation (*ad valorem*) system is found in Argentina, Bolivia, Paraguay, and Uruguay. The tariffs are assessed, however, not on the actual value of the shipments but upon an official valuation. Of course this does not apply to articles not included in the official valuation schedule. Specific tariffs, somewhat similar to those in Europe, are in force in Peru, Colombia, and Chile. They represent a comparatively recent development in South America, the first having been adopted by Peru in 1910. The class-rate tariff is a modified form of the specific tariff and is used in Ecuador and Venezuela. The Brazilian tariff system is classed by itself and comes in for special consideration. It consists largely of specific rates of duty, but each rate is accompanied by a percentage representing the *ad valorem* equivalent of the specific duty. "From these two factors, the official valuation of each article must be calculated, and that valuation serves as the basis for assessing the additional duty of two per cent *ad valorem* for port improvements and the warehouse charge."

On the whole, Mr. Rutter has made a valuable contribution to the increasing literature bearing upon trade development with the republics of South America; and, in view of the present-day interest in the promotion of our commerce with the Latin-American countries, this is a timely volume which should appeal to students of commerce, exporters, and business men in general.

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## Insurance and Pensions

Relating to workmen's compensation are the following:

*Schedule Rating for Workmen's Compensation Risks*, by L. S. Senior, an address delivered before the Insurance Society of New York, February 29, 1916 (pp. 14).

*First Annual Report of the State Industrial Accident Commission of Maryland* (Baltimore, 1915, pp. 77).

*Michigan Workmen's Compensation Cases Including Rules of Procedure, Forms, and Blanks*, published by the Industrial Accident Board (Lansing, July, 1916, pp. 538).

*Workmen's Compensation Laws*, from the report of the Judicial Council of the American Medical Association, being published as Social Insurance Series Pamphlet No. 1 (535 North Dearborn St., Chicago, pp. 71).

The American Medical Association publishes as Pamphlet No. 2 in this series *Social Insurance* (pp. 104); as No. 3, *Health Insurance in Relation to the Public Dispensary*, by Dr. I. M. Rubinow (pp. 11); and as No. 4, *Health Insurance in Relation to Public Health* (pp. 12), also by Dr. Rubinow.

A bulletin of the Industrial Commission of Ohio contains a *Report on Employers Carrying Self-Insurance as Provided under Section 22 of the Workmen's Compensation Act* (Columbus, April 26, 1916, pp. 7).